

## Message Text

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ACTION SS-15

INFO OCT-01 ARA-06 ISO-00 SP-02 MMO-01 PER-01 ABF-01 NSC-05

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 699

INFO USDOC

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FOR DEPUTY UNDER SECRETARY EAGLEBURGER AND ASSISTANT  
SECRETARY ROGERS FROM THE AMBASSADOR

EO 11652 NA

TAGS: EIND VE

SUBJ: PROPOSAL FOR COMMERCIAL TASK FORCE

REF: A STATE 144163, B CARACAS 6880

1. VENEZUELA IS AT THE MOMENT ONE OF THE UNIQUE MARKETS OF THE WORLD. IN THE NEXT THREE TO FIVE YEARS THE FUNDS GENERATED FROM INCREASED PETROLEUM EARNINGS WILL BE INVESTED BY THE GOV IN A HOST OF MAJOR DEVELOPMENT PROJECTS TOTALLING SOME 40 BILLIONS OF DOLLARS. OUR ANNUAL TRADE DEFICIT WITH THIS COUNTRY IS CURRENTLY RUNNING CLOSE TO THREE BILLION DOLLARS.

2. WE NEED A MAJOR SALES EFFORT TO TAKE IMMEDIATE ADVANTAGE OF THE MARKET POTENTIAL HERE AND TO ALLEVIATE OUR TRADE DEFICIT. NOW IS THE TIME FOR ACTION. VENEZUELA WILL MAKE ITS MAJOR PURCHASES IN THE NEXT TWO TO THREE YEARS. FURTHER, WE KNOW THAT IN MAJOR DEVELOPMENT SCHEMES (ELECTRIC POWER GENERATION, PETRO-CHEMICAL PLANT CONSTRUCTION, STEEL MILLS AND THE LIKE) IT IS THE COUNTRY THAT GETS IN AT THE BEGINNING THAT HAS THE EDGE FOR CONTINUING SALES OVER THE LONGER TERM. WE ARE ALREADY FALLING BEHIND IN THAT RACE.

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3. IN ADDITION TO MAJOR DEVELOPMENT PROJECTS, THE VENEZUELAN

MARKET WILL ABSORB A LARGE QUANTITY AND A BROAD SPECTRUM OF CONSUMER GOODS, TOOLS AND EQUIPMENT FOR SMALL INDUSTRIES AND AGRICULTURAL MACHINERY IN THE NEXT THREE TO FIVE YEARS. LIQUIDITY IS EXTREMELY HIGH IN THE PRIVATE SECTOR HERE AND THERE ARE INCREASING SIGNS THAT MONEY IS FLOWING DOWN TOWARD POTENTIAL CONSUMERS AT THE LOWER END OF THE ECONOMIC SCALE. MONEY IN THE HANDS OF THE PUBLIC HAS INCREASED 64 PERCENT SINCE THE BEGINNING OF 1974.

4. IN KEEPING WITH THE SECRETARY'S DESIRE TO ALLOCATE RESOURCES TO POLICY PRIORITIES, I PROPOSE THAT WE MOUNT A COMMERCIAL TASK FORCE TO TAKE ADVANTAGE OF THESE UNIQUE CIRCUMSTANCES. SUCH A TASK FORCE WOULD BE COMPOSED OF THREE OR FOUR BLUE-RIBBON JUNIOR AND MID-GRADE OFFICERS, LANGUAGE QUALIFIED, SUPPLEMENTED BY A STAFF OF SIX OR SEVEN LOCAL EMPLOYEES AS A SUPPORT UNIT. THE TASK FORCE WOULD DEVOTE FULL TIME TO THE DEVELOPMENT AND EXPLOITATION OF MAJOR COMMERCIAL OPPORTUNITIES. THE OFFICERS WOULD GET OUT ON THE STREET AND LEAVE TO OTHERS THE ROUTINE PAPERWORK NOW SWAMPING OUR STAFF. WE COULD TRY THIS SCHEME ON A PROVISIONAL BASIS FOR SIX MONTHS, OR DECIDE NOW ON A FIXED PERIOD OF 18 MONTHS TO TWO YEARS. IT SHOULD BE CLEAR THAT OUR CURRENT STAFF IS SPREAD SO THIN THAT THE JOB CANNOT OTHERWISE BE DONE.

5. WE CONTINUE TO ASK FOR COMMERCIAL STAFF INCREASES IN ANNUAL BUDGET SUBMISSIONS, BUT THE OPPORTUNITIES BEFORE US WILL NOT WAIT ON THE USUAL ASSIGNMENT AND BUDGETING PROCEDURES

6. THE BRITISH, GERMANS, FRENCH, JAPANESE AND ITALIANS ARE ALL INCREASING THEIR COMMERCIAL EFFORTS AND THEIR MANPOWER HERE. WE SHOULD MATCH THEM. IF WE DO NOT, I FULLY EXPECT A DECLINING US SHARE OF THIS RICH MARKET--A MARKET WE HAVE DOMINATED FOR MANY YEARS..  
SHLAUDEMAM

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, SALES, BALANCE OF PAYMENTS, PROGRAMS (PROJECTS)  
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**Draft Date:** 29 OCT 1975  
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